



Chicago, IL 60641 (hereinafter the “Insured Properties”) with a limit of \$620,200 for 4029 N. Milwaukee and \$1,260,100 for 4035 N. Milwaukee. The claim arises out of damage to the Insured Properties that purportedly occurred on or about June 16, 2021, and the subsequent days.

3. Defendant submitted a claim under the Policy for damage to the Insured Properties.

4. Underwriters investigated Defendant’s claim for damage and, through their retained independent adjuster and associated expert, determined the damage to the Insured Properties was not the result of a fortuitous event, that, if the damage could be classified as “collapse,” the damage was not caused by the causes specified as covered in the Policy’s collapse coverage extension, and that the loss would fall within Policy exclusions.

5. Specifically, Underwriters’ investigation determined the Insured, prior to the Policy’s inception, commissioned an inspection of both 4029 N. Milwaukee and 4035 N. Milwaukee in 2014. This inspection report noted that, with respect to 4029 N. Milwaukee, “evidence of prolonged water infiltration was observed at the underside of the roof decking and along the trusses. Daylight was observed at several locations through the underside of the roof deck.” The inspection report further recommended roof replacement at 4029 N. Milwaukee and analysis of the roof trusses by a structural engineer

6. Underwriters’ investigation further determined the structural failure at 4029 N. Milwaukee was the result of failed trusses that had not been repaired after the 2014 inspection report.

7. Underwriters issued a letter to the Insured on December 8, 2021 declining coverage for the claim presented .

8. The Insured, through its counsel, wrote to Underwriters on May 18, 2022, challenging the coverage determination.

9. Underwriters, through their counsel, responded to that letter on August 3, 2022 reiterating their demand and responding to the arguments raised by the Insured's counsel

10. MS Amlin brings this action seeking a declaration that it does not owe coverage for the Insured's claim because the loss is not fortuitous, the collapse coverage does not apply to the loss, the demolition of 4035 N. Milwaukee is the result of excluded governmental action, and other applicable exclusions apply to preclude coverage.

## **II. PARTIES**

11. Plaintiff MS Amlin Corporate Member Limited contributed 100% of the capital to Lloyd's Syndicate 2001 for the 2020 year of account. Syndicate 2001 subscribes to 50% of the Policy at issue in this matter. Syndicate 2001 is a Lloyd's syndicate that is duly authorized to conduct business within the Lloyd's of London insurance market place.

12. MS Amlin is incorporated under the laws of England and Wales and maintains its principal place of business at 122 Leadenhall Street, London UK EC3V 4AG.

13. Defendant likely asserts entitlement to \$1,880,300 in insurance proceeds, which represent the Policy limit; as such, MS Amlin, contributing 100% of the capital to Syndicate 2001, and having 50% of the interest in the Policy, has over \$900,000 at stake for this claim, which is well in excess of the \$75,000 jurisdictional minimum.

14. Defendant Condor Portage Park I, LLC is an Illinois limited liability company with a principal place of business located at 225 W. Hubbard Street, Suite 600, Chicago, IL 60654.

## **III. JURISDICTION AND VENUE**

15. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332, because the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs, and is between a citizen of the United Kingdom and a citizen of Illinois.

16. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(1) and (2) because the Defendant is an Illinois limited liability company, the Insured Property is located in Illinois, and thus, Defendant is subject to this Court's personal jurisdiction.

#### **IV. STATEMENT OF CLAIM**

##### **A. The Policy**

17. MS Amlin subscribed to the Policy issued to Defendant by Underwriters. *See* Policy attached as Exhibit 1.

18. The Policy had a period of December 16, 2020 to December 16, 2021. *See* Exhibit 1 at Declaration Page.

19. The Policy covered premises located at 4029 N. Milwaukee, Chicago, IL and 4035 N. Milwaukee, Chicago, IL. *Id.*

20. The Policy contains a \$620,200 building limit for 4029 N. Milwaukee and \$1,260,100 for 4035 N. Milwaukee. *Id.*

21. The Policy's insuring agreement provides: "We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss."

22. This is what is referred to as an "all-risk" insurance policy.

23. An insured under an all-risk policy bears the burden of demonstrating the loss occurred as a result of a fortuitous event under Illinois law.

24. The Policy contains a coverage extension for "collapse." The term "collapse" in the Policy is defined as "an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot for its intended purpose."

25. The "collapse" coverage extension provides the Policy will cover "direct physical loss or damage" caused by a collapse of a building or part of a building.

26. The “collapse,” however, must be the result of one of a number of specified causes.

These causes include:

- a. The “specified causes of loss” or breakage of building glass, all only as insured against in this Coverage Part;
- b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 2.a. through 2.e., we will pay for the loss or damage even if use of defective materials or methods, in construction, remodeling or renovation, contributes to the collapse.

27. The Policy contains the following pertinent exclusions:

#### **CAUSES OF LOSS - SPECIAL FORM**

##### **B. Exclusions**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

##### **a. Ordinance or Law**

The enforcement of any ordinance or law

(1) Regulating the construction, use or repair of any property; or

(2) Requiring the tearing down of any property, including the cost of removing its debris.

\* \* \* \*

##### **c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

28. The Policy also contains the following pertinent exclusions:

2. We will not pay for loss or damage caused by or resulting from any of the following:

d. (1) Wear and tear;

\* \* \* \*

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

\* \* \* \*

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

\* \* \* \*

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

\* \* \* \*

(4) Maintenance.

## **B. The Claim**

29. The Insured reported a claim to Underwriters on June 17, 2021.

30. The Insured claimed a portion of the roof at 4029 N. Milwaukee collapsed.

31. Underwriters retained Davis Claim Service (“DCS”) as their independent adjuster.

32. DCS contacted the Insured’s representatives on June 18, 2021 to schedule an inspection of 4029 N. Milwaukee. DCS scheduled an inspection for that afternoon, but the Insured’s representatives cancelled that inspection.

33. The City of Chicago issued an order to demolish 4029 N. Milwaukee on June 21, 2021.

34. DCS conducted an inspection of the Insured Properties on June 22, 2021 as the demolition was proceeding.

35. DCS recommended Underwriters retain an engineer related to the Insured's claim. Underwriters agreed and retained Steve Byron of Nederveld as their engineering expert.

36. Mr. Byron conducted an inspection of the Insured Properties on June 25, 2021. Mr. Byron also accessed photographs provided to him of the Insured Properties prior to the demolition.

37. Mr. Byron opined that the photographs suggested a truss failure at a north bearing location was the cause of the structural failure at 4029 N. Milwaukee. Mr. Byron further opined there was no evidence of any damage to 4035 N. Milwaukee prior to demolition of that building.

38. Mr. Byron was later provided additional documents, including a property assessment report completed in 2014.

39. The 2014 property assessment report noted evidence of "prolonged water infiltration" at the underside of the roof decking and along the trusses at 4029 N. Milwaukee. The 2014 property assessment also recommended the truss system at 4029 N. Milwaukee be reviewed by a structural engineer and the roof be replaced. Similar recommendations were made to address issues at 4035 N. Milwaukee.

40. The Insured provided a report from a structural engineer, dated May 13, 2015, advising that recommended structural repairs were completed at 4035 N. Milwaukee.

41. The Insured did not provide, and Underwriters did not receive or find, any documentation indicating the recommended structural assessment or repairs ever occurred at 4029 N. Milwaukee.

42. Mr. Byron indicated the property assessment report bolstered his opinions the structural failure at 4029 N. Milwaukee was the result of long-term rot caused by water infiltration at the trusses at 4029 N. Milwaukee.

43. Mr. Byron also opined that there was no damage to 4035 N. Milwaukee and a competent demolition contractor could have demolished 4029 N. Milwaukee without damaging 4035 N. Milwaukee.

44. Based on the investigations and Mr. Byron's opinions, Underwriters declined the Insured's claim for coverage in a letter dated December 8, 2021.

45. The Insured, through counsel, issued a letter on May 18, 2022, in response to the December 8, 2021 coverage declination letter, providing arguments for coverage.

46. Underwriters, through counsel, issued a letter in response on August 3, 2022, reiterating Underwriters' coverage position and declining the Insured's demand for coverage.

47. MS Amlin brings this declaratory judgment action seeking a determination from this Court that it does not owe any coverage under the Policy for the claim submitted by the Insured.

**COUNT I**  
**DECLARATORY JUDGMENT UNDER 28 U.S.C. § 2201**  
**CLAIM NOT COVERED UNDER POLICY'S INSURING AGREEMENT**

48. MS Amlin incorporates and re-alleges the allegations in paragraph 1 through 47 as if fully set forth herein.

49. The Policy is an "all-risk" policy which, under Illinois law, requires the Insured to first demonstrate the claimed damage is the result of a fortuitous event.

50. A property assessment report in 2014 determined 4029 N. Milwaukee demonstrated "[e]vidence of prolonged water infiltration" at the underside of the roof decking and along the roof trusses.

51. The 2014 property assessment report also noted that daylight could be seen from inside the building when looking up at the roof.



52. The 2014 property assessment report recommended replacement of the roof at 4029 N. Milwaukee and an assessment of the trusses by an engineer.

53. The Insured provided Underwriters, and thus MS Amlin, with no documents or other evidence indicating replacement of 4029 N. Milwaukee's roof occurred or that a structural engineer assessed the trusses at that building, which had been subject to prolonged, and ongoing, water intrusion.

54. The structural failure that occurred on or about June 16, 2021 at 4029 N. Milwaukee was the result of failed trusses at the north bearing point.

55. There was no precipitation at 4029 N. Milwaukee on June 16, 2021 or the days immediately preceding the structural failure.

56. There was no storm or other incident on June 16, 2021 that caused or in any way contributed to the structural failure at 4029 N. Milwaukee.

57. The damage claimed by the Insured at 4029 N. Milwaukee, and the related subsequent demolition of 4029 N. Milwaukee and 4035 N. Milwaukee, is not the result of a fortuitous event, and therefore, the Policy provides no coverage.

58. An actual controversy within the meaning of 28 U.S.C. § 2201 now exists between MS Amlin and the Insured concerning whether MS Amlin owes any coverage for the Insured's under the Policy's insuring agreement.

59. MS Amlin seeks a declaration the Insured's claims for damage are not a result of a fortuitous loss, and therefore, are not covered by the Policy.

**COUNT II**  
**DECLARATORY JUDGMENT UNDER 28 U.S.C. § 2201**  
**LOSS NOT COVERED UNDER POLICY'S COLLAPSE COVERAGE**

60. MS Amlin incorporates and re-alleges the allegations in paragraph 1 through 59 as if fully set forth herein.

61. The Policy provides coverage for “collapse,” but only if that collapse is the result of certain causes specified in the Policy.

62. The “collapse” must also be a fortuitous event.

63. The damage to the Insured Properties is not covered under the Policy’s “collapse” coverage extension.

64. The only cause of collapse specified as covered in the Policy’s extension that could possibly apply to this matter is “Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse.”

65. To the extent the truss failure and subsequent damage is the result of “decay,” which MS Amlin does not concede, it was not hidden from view. The 2014 property assessment report noted that prolonged water intrusion along the trusses at 4029 N. Milwaukee was not hidden from view, as the report itself indicated this condition was plainly visible to the naked eye from the ground, as was water intrusion at the roof decking and daylight coming through the roof decking.

66. Additionally, the Insured was certainly aware of this condition because the 2014 property condition report specifically informed the Insured that there was ongoing water intrusion along the roof trusses and advised the Insured to have those trusses reviewed by a structural engineer.

67. There is no evidence the Insured had the trusses at 4029 N. Milwaukee reviewed by a structural engineer or replaced the roof as recommended by the property assessment report.

68. An actual controversy within the meaning of 28 U.S.C. § 2201 now exists between MS Amlin and the Insured concerning whether the Insured’s claim falls within the Policy’s “collapse” coverage extension.

69. Therefore, MS Amlin seeks a declaration from this Court that it does not owe coverage for the Insured’s claim under the Policy’s “collapse” coverage extension.

**COUNT III**  
**DECLARATORY JUDGMENT UNDER 28 U.S.C. § 2201**  
**DEMOLITION OF 4035 N. MILWAUKEE PROXIMATELY CAUSED BY**  
**GOVERNMENT ACTION**

70. MS Amlin incorporates and re-alleges the allegations in paragraph 1 through 69 as if fully set forth herein.

71. The Policy excludes coverage for the “seizure or destruction of property by order of governmental authority.”

72. The Policy also excludes coverage for loss or damage caused by “Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.”

73. MS Amlin does not believe these exclusions are pertinent because the damage does not fall within the Policy’s insuring agreement and the claimed damage is not covered by the Policy’s “collapse” coverage extension. MS Amlin includes this claim in the event it is determined the Insured’s claim is otherwise covered by the Policy, which MS Amlin denies.

74. 4035 N. Milwaukee did not sustain any damage on June 16, 2021.

75. 4035 N. Milwaukee was demolished pursuant to an order from the City of Chicago, a governmental authority and/or body.

76. A competent demolition contractor could have demolished 4029 N. Milwaukee without damaging 4035 N. Milwaukee.

77. Therefore, the proximate cause of the damage to 4035 N. Milwaukee was the City of Chicago’s demolition order and the Policy excludes destruction of property by order of governmental authority or loss caused by the acts or decisions of a governmental body.

78. An actual controversy within the meaning of 28 U.S.C. § 2201 now exists between MS Amlin and the Insured concerning whether the Insured’s claim for damage to 4035 N.

Milwaukee is subject to the Policy's exclusions regarding destruction or damage to property as a result of governmental order or decision.

79. Therefore, MS Amlin seeks a declaration from this Court that the damage to 4035 N. Milwaukee is the result of governmental orders or decisions that are excluded from the Policy's coverage.

WHEREFORE, MS Amlin requests a declaratory judgment from this Court that:

- a. The Insured's claim is not the result of a fortuitous event and does not fall within the Policy's insuring agreement;
- b. The Insured's claim is not covered under the Policy's "collapse" coverage extension;
- c. The damage to 4035 N. Milwaukee was proximately caused by acts and decisions of the City of Chicago and is excluded from the Policy's coverage; and
- d. MS Amlin owes no amounts to the Insured under the Policy.

Dated: August 26, 2022

Respectfully submitted,

MS Amlin Corporate Member Limited

By: /s/ Christopher J. Shannon  
Counsel for Plaintiff, MS Amlin Corporate Member  
Limited

Christopher J. Shannon  
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# **EXHIBIT A**

**SCHEDULE OF FORMS AND ENDORSEMENTS**

POLICY NUMBER: BOW555923	EFFECTIVE DATE: 12/ 16/ 2020	NAMED INSURED: CONDOR PORTAGE PARK I, LLC
<p><b>SOFAE 09-10</b></p> <p><b>BOWOOD-MIDWEST</b></p> <p>LPG1 10-95</p> <p>LLOYDS1A 09-98</p> <p>LLOYDS1B 10-93</p> <p>B0429BA2003113</p> <p>BOW001012 04-16</p> <p>BW1PTY</p> <p>BW26 04-07</p> <p>BW2000 08-13</p> <p>BW001772 06-20</p> <p>BW-OCC</p> <p>CP0010 04-02</p> <p>CP0090 07-88</p> <p>CP0450 07-88</p> <p>CP1030 04-02</p> <p>CP1032 08-08</p> <p>CP1033 06-95</p> <p>CP1055 06-95</p> <p>IL0017 11-98</p> <p>IL0935 07-02</p> <p>LMA5018 09-05</p> <p>LMA5019 09-05</p> <p>LMA5020 LLOYDS 09-05</p> <p>LMA5021 09-05</p> <p>LMA5390 01-20</p> <p>LMA5393 03-20</p> <p>LMA5393 TRV 04-20</p> <p>LMA5401 11-19</p> <p>LSW1135B 06-03</p> <p>NMA464 01-38</p> <p>NMA1191 07-59</p> <p>NMA1331 04-61</p> <p>NMA2341 11-88</p> <p>NMA2342 11-98</p> <p>NMA2915 01-01</p> <p>NMA2920 10-01</p> <p>NMA2962 02-03</p>		
<p><b>SCHEDULE OF FORMS</b></p> <p>LLOYDS JACKET</p> <p>CERTIFICATE OF INSURANCE</p> <p>COMMERCIAL POLICY COVERAGE PART</p> <p>SYNDICATE LIST</p> <p>EQUIPMENT BREAKDOWN COVERAGE</p> <p>COMM PROP COV PART</p> <p>MIN EARNED PREM ENDT</p> <p>GENERAL ENDORSEMENT</p> <p>CLAIM REPORTING FORM</p> <p>OCCURENCE DEFINITION</p> <p>BUILDING AND PERSONAL PROPERTY</p> <p>COMM PROP CONDITIONS</p> <p>VACANCY PERMIT</p> <p>CAUSES OF LOSS - SPECIAL FORM</p> <p>AMENDMENT TO WATER EXCL</p> <p>THEFT EXCL</p> <p>VANDALISM EXCLUSION</p> <p>COMMON POLICY CONDITIONS</p> <p>EXCL-COMPUTER-RELATED LOSSES</p> <p>MICROORGANISM EXCL ABS</p> <p>ASBESTOS ENDORSEMENT</p> <p>SERVICE OF SUIT CLAUSE (USA)</p> <p>APPLICABLE LAW (USA)</p> <p>TRIA - NOT PURCHASED</p> <p>COMMUNICABLE DISEASE ENDT</p> <p>COMMUNICABLE DISEASE ENDT</p> <p>PROPERTY CYBER &amp; DATA EXCL</p> <p>LLOYD'S PRIVACY POLICY STATEMENT</p> <p>WAR &amp; CIVIL WAR EXCL CLAUSE</p> <p>RADIOACTIVE CONTAMINATION EXCL</p> <p>CANCELLATION CLAUSE</p> <p>LAND, WATER AND AIR EXCL</p> <p>SEEPAGE/POLLUTION/CONTAMINATION EXCLUSION</p> <p>ELECTRONIC DATA ENDORSEMENT B</p> <p>TERRORISM EXCLUSION ENDORSEMENT</p> <p>BIOLOGICAL OR CHEMICAL MATERIALS</p>		
<p><b>ADDITIONAL FORMS</b></p>		
<p><b>SOFAE (09/ 10)</b></p>		



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# Lloyd's, London

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**This Insurance** is effected with Insurance Company(s) as noted herein.

**This Certificate** is issued in accordance with the limited authorization granted to the Correspondent by Company(s) and in consideration of the premium specified herein, Company(s) do hereby bind themselves each for his own part, and not one for another, their heirs, executors and administrators.

**The Assured** is requested to read this certificate, and if not correct, return it immediately to the Correspondent for appropriate alteration.

In the event of claim under this certificate, please notify the following Correspondent:

**Burns &  
Wilcox**

## CERTIFICATE PROVISIONS

- 1. Signature Required.** This certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
- 2. Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those companies (hereinafter called the "Underwriters") whose names are shown on the Declarations Page.
- 3. Cancellation.** If this certificate provides for cancellation and this certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
- 4. LSW 1001 (Insurance) Several Liability Notice.** The subscribing Insurer's obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.
- 5. Assignment.** This certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
- 6. Attached Conditions Incorporated.** This certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached, or endorsed, all of which are to be considered as incorporated herein.
- 7. Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

### Short Rate Cancellation Table for Team of One Year

Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium
1	6	66 - 69	29%	154 - 156	53%	256 - 260	77%
2	6	70 - 73	30	157 - 160	54	261 - 264	78
3 - 4	7	74 - 76	31	161 - 164	55	265 - 269	79
5 - 6	8	77 - 80	32	165 - 167	56	270 - 273 (9 mos.)	80
7 - 8	9	81 - 83	33	168 - 171	57	274 - 278	81
9 - 10	10	84 - 87	34	172 - 175	58	279 - 282	82
11 - 12	11	88 - 91 (3 mos.)	35	176 - 178	59	283 - 287	83
13 - 14	12	92 - 94	36	179 - 182 (6 mos.)	60	288 - 291	84
15 - 16	13	95 - 98	37	183 - 187	61	292 - 296	85
17 - 18	14	99 - 102	38	188 - 191	62	297 - 301	86
19 - 20	15	103 - 105	39	192 - 196	63	302 - 305 (10 mos.)	87
21 - 22	16	106 - 109	40	197 - 200	64	306 - 310	88
23 - 25	17	110 - 113	41	201 - 205	65	311 - 314	89
26 - 29	18	114 - 116	42	206 - 209	66	315 - 319	90
30 - 32 (1 mo.)	19	117 - 120	43	210 - 214 (7 mos.)	67	320 - 323	91
33 - 36	20	121 - 124 (4 mos.)	44	215 - 218	68	324 - 328	92
37 - 40	21	125 - 127	45	219 - 223	69	329 - 332	93
41 - 43	22	128 - 131	46	224 - 228	70	333 - 337 (11 mos.)	94
44 - 47	23	132 - 135	47	229 - 232	71	338 - 342	95
48 - 51	24	136 - 138	48	233 - 237	72	343 - 346	96
52 - 54	25	139 - 142	49	238 - 241	73	347 - 351	97
55 - 58	26	143 - 146	50	242 - 246 (8 mos.)	74	352 - 355	98
59 - 62 (2 mos.)	27	147 - 149	51	247 - 250	75	356 - 360	99
63 - 66	28	150 - 153 (5 mos.)	52	251 - 255	76	361 - 365 (12 mos.)	100

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for an insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
  1. Determine full annual premium as for insurance written for a term of one year.
  2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata Earned Premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
  3. Add premium produced in accordance with items (1) and (2) to obtain Earned Premium during full period insurance has been in force.



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Lloyd's,  
London

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RENEWAL OF:  
BOW555662**CERTIFICATE OF INSURANCE**

COMMON POLICY DECLARATIONS

Certificate Number  
BOW555923

This Declaration is attached to and forms part of certificate provisions (Form LPG1).

**ITEM 1. NAMED INSURED AND MAILING ADDRESS**

CONDOR PORTAGE PARK I, LLC

225 WEST HUBBARD

SUITE 600

CHICAGO

IL 60654

**AGENT NAME AND ADDRESS**

BURNS &amp; WILCOX, LTD.

111 SOUTH WACKER, SUITE 3900

CHICAGO

IL 60606

**AUTHORITY REF. NO.**

B0429BA2003113

**ITEM 2. POLICY PERIOD** From: 12/ 16/ 2020 To: 12/ 16/ 2021 Term: 12 MONTHS☒ 12:01 A.M., Standard Time at your mailing address**BUSINESS DESCRIPTION: RETAIL LESSOR'S RISK**

Insurance is effective with certain

**UNDERWRITERS AT LLOYD'S, LONDON.****FORM OF BUSINESS:** ☐ Individual ☐ Joint Venture ☐ Partnership ☐ Organization ☐ Corporation ☒ LLC

Audit Period: Annual unless otherwise stated:

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS CERTIFICATE, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS CERTIFICATE.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

		PREMIUM
Commercial Property Coverage Part - Section 1		\$ 5,669.00
Commercial General Liability Coverage Part - Section 2		\$ NOT COVERED
Commercial Crime Coverage Part - Section 3		\$ NOT COVERED
Commercial Inland Marine Coverage Part - Section 4		\$ NOT COVERED
Professional Liability Coverage Part - Section 5		\$ NOT COVERED
Errors & Omissions Liability Coverage Part - Section 6		\$ NOT COVERED
Liquor Liability Coverage Part - Section 7		\$ NOT COVERED
Jeweler's Block Coverage Part - Section 8		\$ NOT COVERED
		\$ NOT COVERED
		\$ NOT COVERED
SERVICE FEE	\$ 250.00	
INSPECTION FEE	\$ 240.00	
	\$	
	\$	
STAMPING FEE	\$ 4.00	
FIRE MARSHALL TAX	\$ 28.00	
SURPLUS LINES TAX	\$ 198.00	
	\$	
	\$	
		TOTAL \$ 5,669.00
Premium shown is payable: \$ 6,389.00	at inception. \$ 6,389.00	
ALL FEES ARE FULLY EARNED	NO FLAT CANCELLATION	
		TOTAL \$ 6,389.00

Forms applicable to all Coverage Parts:

**SEE SCHEDULE OF FORMS AND ENDORSEMENTS**

This certificate of Insurance is made and accepted subject to the foregoing stipulations and conditions together with such other provisions, agreement or conditions as may be endorsed or added hereto.

Dated at: 12/ 30/ 2020 CPIL01ONE/ LX

By:

Christopher Zoidis

(Correspondent)

This Declaration Page is attached to and forms part of the common policy declarations.

[illegible]

Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue:

By: \_\_\_\_\_

LLOYDS1B (10-93)

B0429BA2003113

The Table of syndicates referred to in the Agreement is as follows :-

**Summary Schedule of Security**

Please note that unless specified below, all monies relating to this Contract will be held by us as agent of (re)insurers and not on your behalf until remitted to (re)insurers hereon.

**INSURED WITH: 100% Certain Underwriters at Lloyd's of London.**

A RISK CODE B3	SIGNED LINE	UNDERWRITERS
	50.0000%	Lloyd's Syndicate 2001 - AML
	20.0000%	Lloyd's Syndicate 2121 - ARG
	12.7500%	Lloyd's Syndicate 1200 - AMA
	12.7500%	Lloyd's Syndicate 4472 - LIB
	4.0500%	Lloyd's Syndicate 2987 - BRT
	0.4500%	Lloyd's Syndicate 2988 - BRT
	-----	
	100.0000%	Lloyd's
	-----	
	100.0000%	Total
	-----	
B RISK CODE 6T	SIGNED LINE	UNDERWRITERS
	50.0000%	Lloyd's Syndicate 2001 - AML
	20.0000%	Lloyd's Syndicate 2121 - ARG
	12.7500%	Lloyd's Syndicate 1200 - AMA
	12.7500%	Lloyd's Syndicate 4472 - LIB
	4.0500%	Lloyd's Syndicate 2987 - BRT
	0.4500%	Lloyd's Syndicate 2988 - BRT
	-----	
	100.0000%	Lloyd's
	-----	
	100.0000%	Total
	-----	
C RISK CODE CB	SIGNED LINE	UNDERWRITERS
	100.0000%	Lloyd's Syndicate 5000 - TRV
	-----	
	100.0000%	Lloyd's
	-----	
	100.0000%	Total
	-----	

**TOTAL LINE****NO. OF SYNDICATES**

100.0000

Sections A and B 6  
Section C 1

THE LIST OF UNDERWRITING MEMBERS  
OF LLOYDS IS IN RESPECT OF 2020 YEAR OF ACCOUNT

COMMERCIAL PROPERTY  
BOW001012 04/ 2016

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EQUIPMENT BREAKDOWN COVERAGE

This Endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - BASIC  
CAUSES OF LOSS - BROAD  
CAUSES OF LOSS - SPECIAL FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT- OWNERS COVERAGE FORM

Equipment Breakdown Schedule	
<b>Equipment Breakdown Limits of Insurance:</b>	
Perishable Goods	\$25,000
Expediting Expenses	\$25,000
Pollution Clean Up and Removal	\$25,000
Data and Media	\$25,000
Demolition and increased Cost of Construction	\$25,000
<b>Deductibles:</b>	
Direct Damage	See Declaration
Business Income and Extra Expense	48 Hours
Perishable Goods	Included with Direct Damage
Utility Interruption Waiting Period	24 Hours
Other:	

The following is added to paragraph A. 4. Additional Coverages in the applicable Coverage Form:

### A. Equipment Breakdown Coverage

1. We will pay for direct physical loss to Covered Property caused by or resulting from a "breakdown" to "covered equipment".

With respect to otherwise covered Business Income and Extra Expense, "breakdown" to "covered equipment" will be considered a Covered Cause of Loss.

### 2. "Breakdown"

- a. "Breakdown" means:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
- (3) Electrical failure caused by artificially generated electric current, including arcing; that causes direct physical loss or damage to "covered equipment" and necessitates its repair or replacement.

- b. "Breakdown" does not mean:

- (1) Cracking of **any part on an internal combustion** gas turbine exposed to the products of combustion,
- (2) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
- (3) Damage to any vacuum tube, gas tube, or brush,

- (4) Defects, erasures, errors, limitations or viruses in "computer equipment", data, "media" and/or programs including the inability to recognize and process any date or time or provide instructions to "covered equipment". However, if a "breakdown" ensues, we will pay the ensuing loss or damage not otherwise excluded;
  - (5) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
  - (6) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification; or
  - (7) The functioning of any safety or protective device.
- c. If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns that manifest themselves at the same time and are the result of the same cause will also be considered one "breakdown".

### 3. "Covered Equipment"

- a. "Covered equipment" means any Covered Property that is:
- (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents. For any boiler or fired vessel, the furnace of the "covered equipment" and the gas passages from there to the atmosphere will be considered as outside the "covered equipment";
  - (2) Communication equipment and "computer equipment";
  - (3) Fiber optic cable; or
  - (4) Any other electrical or mechanical equipment that is used in the generation, transmission or utilization of energy.
- b. "Covered equipment" does not mean any:
- (1) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites)
  - (2) Catalyst;
  - (3) Dragline, power shovel, excavation or construction equipment including any "covered equipment" mounted on or used solely with any dragline, power shovel, excavation or construction equipment;
  - (4) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment;
  - (5) Equipment or any part of equipment manufactured by you for sale;
  - (6) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
  - (7) Insulating or refractory material;
  - (8) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;
  - (9) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
  - (10) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
  - (11) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing;
  - (12) Vehicle, aircraft, self-propelled equipment or floating vessel, including any "covered equipment" mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel; or
  - (13) Media",

**Property Not Covered.** With regard to the coverage provided by this Endorsement only, A.2,b in the Coverage Form to which this Endorsement applies is deleted and replaced by the following: b. Animals.

**5. Equipment Breakdown Coverage Extensions.** The following coverages also apply to loss or damage caused by or resulting from a "breakdown" to "covered equipment". These Equipment Breakdown Coverage Extensions do not provide additional amounts of insurance. The limits provided are part of, not in addition to, the Limit of Insurance that applies to the damaged Covered Property.

**a. Perishable Goods.**

(1) We will pay for:

- (a) Your loss of 'perishable goods' due to spoilage;
- (b) Your loss of "perishable goods" due to spoilage that is caused by or results from an interruption in utility services that is the direct result of a "breakdown" to "covered equipment" that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam. Coverage for such loss will begin 12 hours after the time the "breakdown" causes the interruption of the utility service; or
- (c) Your loss of "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia.

We will also pay any necessary expense you incur to reduce the amount of loss under this coverage. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2') If you are unable to replace the 'perishable goods' before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "breakdown", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment Condition.
- (3) The most we will pay for any loss or expense under this Equipment Breakdown Coverage Extension is \$25,000 or the Limit of Insurance for Perishable Goods shown on the Equipment Breakdown Schedule, whichever is greater.

**b. Expediting Expenses.**

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement.
- (2) Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
- (3) The most we will pay for Expediting Expenses is \$25,000 or the Limit of Insurance for Expediting Expenses shown on the Equipment Breakdown Schedule, whichever is greater.

**c. Utility Interruption.** The insurance provided for Business Income and/or Extra Expense, if covered elsewhere in the policy, is extended to apply to loss caused by or resulting from an interruption in utility services that is a direct result of a "breakdown" to "covered equipment" that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

Coverage for Utility Interruption will begin 12 hours, or the time shown for Utility Interruption-Waiting Period in the Equipment Breakdown Schedule, after the time the "breakdown" causes the interruption of the utility service.

**d. Drying Out.** If electrical "covered equipment" requires drying out as a result of a flood, waves, tides, tidal waves, or overflow of any body of water or their spray, even if driven by wind, we will pay for the direct expense of drying out such electrical "covered equipment". The most we will pay for such expense under this Equipment Breakdown Coverage Extension is the least of:

- (1) \$10,000;
- (2) the Limit of Insurance shown on the Declaration for the applicable covered property; or
- (3) the value of such damaged electrical "covered equipment".

Coverage provided by this extension does not include the cost to replace such equipment or any other loss, damage or expense that is caused by or results directly or indirectly from flood, waves, tides, tidal waves, or overflow of any body of water or their spray, even if driven by wind.

**e. Pollution Clean Up and Removal.** With regard to coverage provided under this Endorsement only. Additional Coverage A.4.d. in the Coverage Form to which this Endorsement applies is deleted and replaced by the following

- d. We will pay your expense to extract "pollutants" from land or water at the described premises and the cost for clean-up, repair, replacement or disposal of Covered Property at the described premises if the discharge, dispersal, seepage, migration, release or escape of such "pollutants" is caused by or results from a "breakdown" to "covered equipment" that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which such "breakdown" occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land, water or the clean-up, repair, replacement, or disposal of Covered Property.

The most we will pay under this Additional Coverage, including any loss covered under any applicable Business Income or Extra Expense coverage, for the sum of all covered expenses is \$25,000 or the Limit of Insurance for Pollution Clean Up and Removal shown on the Equipment Breakdown Schedule, whichever is greater.

The coverage provided by this Additional Coverage does not include loss to "perishable goods" due to contamination from the release of a refrigerant.

- f. **Data and Media.** We will pay your cost to research, replace and restore data, including programs and operating systems that are lost or corrupted due to a "breakdown". We will also pay for loss or damage to "media" caused by a "breakdown". The most we will pay under this Coverage Extension for the sum of all covered expenses, including any loss covered under any applicable Business Income and Extra Expense coverage is \$25,000 or the Limit of Insurance for Data and Media shown on the Equipment Breakdown Schedule, whichever is greater.

**g. Demolition and Increased Cost of Construction.**

The following applies despite the Ordinance or Law Exclusion. If a "breakdown" to "covered equipment" damages a building that is Covered Property that is insured at replacement cost, and the loss is increased by the enforcement of any laws or ordinances that are in force at the time of the "breakdown" and which regulate the demolition, construction, repair or use of the building or structure the following apply:

**(1)** We will pay for:

- (a)** Your actual cost to demolish and clear the site of the undamaged parts of the same building or structure as a consequence of enforcement of an ordinance or law that requires the demolition of such undamaged property, and
- (b)** Your actual expenditures for increased costs to repair, rebuild, or construct the building. If the building is repaired, rebuilt or constructed, it must be intended for a similar use or occupancy as the current building, unless otherwise required by zoning or land use ordinance or law;

- (2)** With regard to otherwise covered Business Income and Extra Expense coverage, the "period of restoration" is extended to include the additional period of time required for demolition and to meet the minimum requirement of any ordinance or law enforcement at the time of the "breakdown".

**(3)** We will not pay for any:

- (a)** Fine;
- (b)** Liability to a third party;
- (c)** Increase in loss due to a "pollutant"; or
- (d)** Demolition cost until the undamaged portions of the building are actually demolished;
- (e)** Increased construction costs until the building is actually rebuilt and replaced;
- (f)** Increases in loss, excess of the amount required to meet the minimum requirement of any ordinance or law enforcement at the time of the "breakdown"; or
- (g)** Loss due to any ordinance or law that you were required to comply with before the "breakdown", even if the building was undamaged, and with which you failed to comply.

The most we will pay under this Coverage Extension for the sum of all covered expenses, including any loss covered under any applicable Business Income and Extra Expense coverage, is \$25,000 or the Limit of Insurance for Demolition and Increased Cost of Construction shown on the Equipment Breakdown Schedule, whichever is greater.



**6. Equipment Breakdown Exclusions.** With regard to coverage provided under this Endorsement only, the following changes are made.

**a. The following Exclusions are deleted:**

(1) In the Causes of Loss ~~Special Form: 13,2,a.; B.2.d.(6); and B.2.e.~~

(2) In the Causes of Loss ~~Broad Form: B.2.a.; B.2.b.; 6,2,c, (3)In the Causes of Loss Basic Form: 13,2,a.; B.2.d.; and B.2.e.~~

**b. Exclusion B.2.I. from the Causes of Loss ~~Special Form~~, is deleted and replaced by the following:**

I. Discharge, dispersal, seepage, migration, release or escape of "pollutants", But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "breakdown" to "covered equipment", we will pay for the loss or damage caused by that "breakdown".

**c. With regard to the Causes of Loss ~~Special Form~~, the last paragraph of Exclusion B.2.d. is deleted and replaced by the following:**

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "breakdown", we will pay the resulting loss or damage not otherwise excluded.

**d. The following exclusions apply to the coverage provided under this Endorsement in addition to the other exclusions, except as deleted in A.6.a. above, in the Coverage Form to which this Endorsement applies.**

We will not pay under this Endorsement for loss or damage caused directly or indirectly by any of the following:

**(1) Any of the following tests:**

(a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or

(b) An insulation breakdown test of any type of electrical equipment;

(c) Any test which subjects the "covered equipment" to greater than maximum allowable operating conditions as identified by the manufacturer of the "covered equipment"

**(2) Fire including fire resulting from a "breakdown",**

**(3) Combustion explosion;**

**(4) Explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass;**

**(5) An explosion. However, we will pay for direct loss or damage caused by an explosion of "covered equipment" of a kind specified in a. through f. below, if not otherwise excluded:**

a. Steam boiler;

b. Electric steam generator;

c. Steam piping;

d. Steam turbine;

e. Steam engine; or

f. Gas turbine or any other moving or rotating machinery when such explosion is caused by centrifugal force or mechanical breakdown.

**(6) With regard to the Causes of Loss —Basic Form and Causes of Loss —Broad Form:**

Depletion, deterioration, corrosion, erosion, wear and tear, rust, fungus, decay, wet or dry rot, or mold. However, if a "breakdown" to "covered equipment" results, we will pay the resulting loss or damage not otherwise excluded.

**(7) With respect to Utility Interruption and paragraph (1)(b) of Perishable Goods coverage, we will not pay for loss caused by or resulting from: Lightning; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; falling objects; water damage caused by the discharge or leakage of sprinkler system, sewer piping or domestic water piping; water or other means used to extinguish a fire, even when the attempt is unsuccessful; weight of snow, ice or sleet; freezing due to cold weather; molten material; or collapse.**

**7. Equipment Breakdown Limitations.**

With regard to this Endorsement only, the following Limitations are deleted from the Causes of Loss — Special Form: C.1,a. and a1 .b.

**8. Limits of Insurance**

**a. The most we will pay for loss or damage in any one "breakdown" is the applicable Limit of Insurance shown in the Declarations. The limits provided for the Equipment Breakdown Coverage Extensions**

are part of, not in addition to, the Limit of Insurance shown in the Declarations that applies to the damaged Covered Property.

The coverage provided by this Endorsement is part of, not in addition to, the Limits of Insurance shown in the Declarations.

- b. The most we will pay for water damage that results from a "breakdown" to "covered equipment" is \$25,000 for any one "breakdown" This is part of, not in addition to, the Limit of Insurance shown in the Declarations that applies to damaged Covered Property.

**9. Deductible**

If an amount is shown in the Deductible section of the Equipment Breakdown Schedule, the following will apply; otherwise the deductible shown in the Declaration for the applicable coverage will apply.

Paragraph D. - Deductibles of the applicable coverage form is deleted and replaced by:

- a. In any one "breakdown, we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

The deductibles listed in the Equipment Breakdown Schedule shall be applied separately to the applicable coverage as follows:

**(1) Dollar Deductible**

If a dollar deductible is shown in the above schedule, we will first subtract the deductible amount from any loss we would otherwise pay.

**(2) Multiple per Unit Deductible**

If a multiple of units is shown in the above schedule, the deductible will be calculated as the sum of the multiplier times the number of units specified. (For example: if the deductible is specified as \$25/ hp for air conditioning units, and a covered 500 hp air conditioning unit suffered a "Breakdown", the deductible will be \$25 times 500 hp which equals \$12,500.)

**(3) Time Deductible**

If a time deductible is shown in the above schedule, we will not be liable for any loss under that coverage that occurs during that specified time period immediately following a "Breakdown". If a time deductible is shown in days, each day shall mean twenty-four consecutive hours.

**(4) Multiple of Daily Value Deductible**

If a multiple of daily value is shown in the above schedule, this deductible will be calculated as follows:

- (a) For the entire premise described in the Declarations where the loss occurred, determine the total amount of Business Income that would have been earned during the "Period of Restoration" had no "Breakdown" taken place.
- (b) Divide the result in Paragraph (1) by the number of days the business would have been open during the "Period of Restoration". The result is the daily value.
- (c) Multiply the daily value in Paragraph (2) by the number of daily value multiples shown in the above schedule. We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

**(5) Percentage of Loss Deductible**

If a deductible is expressed as a percentage of loss in the above schedule, we will not be liable for the indicated percentage of the gross amount of loss or damage insured under the applicable coverage.

**(6) Minimum Or Maximum Deductible**

**(a) If:**

- (i)** A minimum dollar amount deductible is shown in the above schedule; and
  - (ii)** The dollar amount of the Multiple per Unit, Multiple of Daily Value or the Percentage of Loss Deductible is less than the Minimum Deductible;
- then the Minimum Deductible amount shown in the above schedule will be the applicable deductible.

**(b) If:**

- (i)** A maximum dollar amount deductible is shown in the above schedule; and
  - (ii)** The dollar amount of the Multiple per Unit, Multiple of Daily Value or the Percentage of Loss Deductible is greater than the Maximum Deductible;
- then the Maximum Deductible amount shown in the above schedule will be the applicable deductible.

- b.** If more than one deductible applies to a single coverage, then only one deductible, the highest, will apply to that coverage.

- 10.** The following provision applies to the coverage provided by this Endorsement only and in addition to the provisions in the Loss Payment section of the Coverage Form to which this Endorsement applies:

**New Generation.** You may replace damaged "Covered Equipment" with a newer generation "Covered Equipment" of the same capacity which improves the environment, increases efficiency or enhances safety. We will pay up to an additional 25% of the covered property damage amount for the "Covered Equipment". This additional amount is included in, not in addition to, the applicable Limit of Insurance for Covered Property.

- 11.** With respect to the coverage provided under this Endorsement, the following are added to the Additional Conditions section of the Coverage Form to which this Endorsement applies:

**a. Jurisdictional Inspections**

- (1)** We agree to provide pressure vessel certificate-of-operation engineering services where:
  - (a)** The certificate-of-operation is required by state, city or provincial law; and
  - (b)** The state, city or provincial law permits inspections by insurance company employees.
- (2)** If we receive notification of a pressure vessel certificate-of-operation inspection due date less than 30 (thirty) days prior to the expiration of the certificate-of-operation, we will not be responsible for:
  - (a)** Any fine or other penalty that may be assessed; or
  - (b)** Any liability that may arise due to the fact that the inspection was not performed prior to the certificate-of-operation due date.
- (3)** Certificate-of-operation engineering services will not be provided for any location, other than in the United States of America, Puerto Rico or Canada.

**b. Suspension**

- (1)** Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this Endorsement. We will deliver or mail a written notice of suspension to your last known address or the address where the "covered equipment" is located.
- (2)** Once suspended in this way, your coverage can be reinstated only by an Endorsement for that "covered equipment".
- (3)** If we suspend your coverage, you will get a pro rata refund of premium for that "covered equipment". **But** the suspension will be effective even if we have not yet made or offered a refund.

- 12.** With regard to the coverage provided by this Endorsement, the following definitions apply in addition to the definitions provided in the Coverage Form to which this Endorsement applies:

- a. "Computer equipment"** means your programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission. It does not include data or "media".

- b. "Media" means electronic data processing or storage material such as films, tapes, discs, drums or cells.
- c. "Perishable goods" means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change.

## COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS

<b>Certificate No.</b> BOW555923		<b>Effective Date:</b> 12/ 16/ 2020 12:01 A.M., Standard Time													
<b>Named Insured:</b> CONDOR PORTAGE PARK I, LLC															
<b>BUSINESS DESCRIPTION</b> RETAIL LESSOR'S RISK															
<b>DESCRIPTION OF PREMISES</b>															
PREM. NO.	BLDG. NO.	LOCATION, CONSTRUCTION AND OCCUPANCY													
1	1	4029 NORTH MILWAUKEE, CHICAGO, IL 60641 MASONRY NON-COMBUSTIBLE, RETAIL LESSORS RISK ONLY VACANT													
2	1	4035 NORTH MILWAUKEE AVE, CHICAGO, IL 60641 JOISTED MASONRY, RETAIL LESSORS RISK ONLY VACANT													
<b>COVERAGES PROVIDED</b> - INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN.															
PREM. NO.	BLDG. NO.	<b>COVERAGE</b>	<b>LIMIT OF INS.</b>												
1	1	BUILDING	\$620,200												
1	1	EQUIPMENT BREAKDOWN	\$620,200												
2	1	BUILDING	\$1,260,100												
2	1	EQUIPMENT BREAKDOWN	\$1,260,100												
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<b>OPTIONAL COVERAGES</b> - APPLICABLE ONLY WHEN ENTRIES ARE MADE IN THE SCHEDULE BELOW															
PREM. NO.	BLDG. NO.	AGREED VALUE EXP. DATE	COVERAGE												
1-2	1														
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<b>MORTGAGE HOLDER(S)</b>															
PREM. NO.	BLDG. NO.	MORTGAGE HOLDER NAME AND MAILING ADDRESS													
<b>DEDUCTIBLE</b>															
\$ 25,000		EXCEPTIONS:													
<b>FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the Certificate)</b>															
Forms and Endorsements applying to this Coverage Part and made part of this Certificate at time of issue: APPLICABLE TO ALL COVERAGES:															
SEE SCHEDULE OF FORMS AND ENDORSEMENTS															

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMERCIAL PROPERTY DECLARATIONS, TOGETHER WITH THE COMMON CERTIFICATE CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS COMPLETE THE ABOVE NUMBERED POLICY.

## MINIMUM EARNED PREMIUM ENDORSEMENT

This Endorsement effective 12:01 A.M. 12/16/2020

forms a part of policy number BOW555923 issued to

CONDOR PORTAGE PARK I, LLC

by BURNS & WILCOX, LTD.

It is hereby understood and agreed that the minimum earned premium for this policy is 25%, and that such minimum earned premium is not subject to short rate or pro rata adjustment in the event of cancellation of this policy by you.

It is further understood and agreed that cancellation for non-payment of premium shall be deemed a request by you for cancellation of this policy thereby activating the foregoing minimum earned premium provision.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

**GENERAL ENDORSEMENT**

This endorsement modifies insurance provided under this policy. This endorsement changes your policy. Please read it carefully.

All other Terms and Conditions remain unchanged.

**MINIMUM EARNED PREMIUM**

In the event that this policy is cancelled by the Assured the minimum premium earned and due from the Assured shall be that percentage of the total annual premium shown on the Declarations Page attached hereto.

**DEDUCTIBLE**

The insurers obligations under this policy of which this is a part shall apply only to such amounts for which the insurer may be liable in excess of the deductible amount shown on the Declarations page attached hereto. The deductible shall apply per occurrence and shall apply separately at each location, sub-location and building insured hereunder. Wind, Hail and Named Storm deductible as per the applicable form wording will take precedence and supersede the foregoing.

**CONTAMINANTS, FUNGI AND INFESTATION EXCLUSION**

Notwithstanding any other provision in this policy, no coverage of any kind is afforded by this policy for any damage to insured property, whether caused directly or indirectly by a covered peril, resulting from rust, rot, mold or other fungi, spores, dust, contamination, deterioration, pollutants, asbestos, communicable disease, or infestation of rodents, insects or any other living organism.

Further, no liability coverage or legal defense will be provided for any third party bodily injury, property damage or medical payment claim resulting from or arising out of or alleged to have resulted from or arisen out of, any of such aforementioned conditions.

**SEEPAGE AND/ OR POLLUTION AND/ OR CONTAMINATION EXCLUSION**

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- a) any loss, damage, cost or expense, or
- b) any increase in insured loss, damage, cost or expense, or
- c) any loss, damage, cost, expenses, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by an agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/ or contamination or threat thereof.

The term "any kind of seepage" or "any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

- a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a 'hazardous substance' by the United States Environmental Protection Agency or as a 'hazardous material' by the United States Department of Transportation, or defined as a 'toxic substance' by the Canadian Environmental Protection Act for the purposes of Part II of the Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of a person or the environment.

N.M.A. 2342 (24/ 11/ 88)

**LAND, WATER AND AIR EXCLUSION**

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

N.M.A. 2341 (24/ 11/ 88)

**WAR AND CIVIL EXCLUSION CLAUSE**

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

N.M.A. 464 (1/ 1/ 38)

**TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious,

ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.  
NMA 2920 (8/ 10/ 01)

#### **BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION**

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.  
NMA2962 (06/ 02/ 03)

#### **RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE**

##### **PHYSICAL DAMAGE - DIRECT**

*(Approved by Lloyd's Underwriters' Non-Marine Association)*

This policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused \*NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provision of this policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

\*NOTE - If Fire is not an insured peril under this policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

N.M.A. 1191 (7/ 5/ 59)

#### **OCCURRENCE DEFINITION**

It is agreed that the following special terms and conditions apply to the policy:

1. The Limit of Liability or Amount of Insurance shown on the face of this policy, is a Limit or Amount

per occurrence. Notwithstanding anything to the contrary contained herein, in no event shall the Liability of this company exceed this Limit or Amount in one disaster, casualty, or event, irrespective of the number of Locations involved.

2. The premium for this policy is based upon the statement of values on file with the company, or schedule attached to this policy. In the event of loss hereunder, liability of the company shall be limited to the least of the following:

A. The actual adjustment amount of loss, less applicable deductible(s);

B. The total stated value for the property involved, as shown on the schedule, less applicable deductible(s); and/ or

C. The Limit of Liability or amount of Insurance shown on the face of this policy or endorsed onto this policy.

#### **FULLY EARNED PREMIUM**

In the event of a total loss to any of the property covered by this policy, the premium charged for the policy shall be fully earned. Total loss is defined as the payment of the policy limits as listed or scheduled in the policy.

If any of the properties covered under this policy are written on an ACV basis, the following applies:

#### **ACTUAL CASH VALUE**

Unless otherwise indicated, the Company shall not be liable beyond the actual cash value of the property insured hereunder on the date of loss (such actual cash value to be determined as replacement cost with proper deduction for depreciation), but not exceeding the amount which it would cost to repair or replace the same with materials of like kind and quality or amount, insured by this policy.

#### **LMA 5019 (ASBESTOS EXCLUSION)**

This Insurance does not cover any liability whatsoever arising directly or indirectly out of or resulting from or in any consequence of, or in any way involving Asbestos, or any materials containing asbestos in whatever form or quantity.



## CLAIM REPORTING INFORMATION

Your insurance policy has been placed with Certain Underwriters at Lloyd's, London.

Our commitment to you is to provide fast, fair claim service. Promptly reporting an event that could lead to a claim, as required by your policy, helps us fulfill this commitment to you. Please refer to your policy for this and all other terms and conditions.

### **HOW TO REPORT A CLAIM**

Minuteman Adjusters  
220 Kaufman Financial Center  
30833 Northwestern Highway  
Farmington Hills, MI 48334

**Email:** minuteman@claimemail.com

**Ph:** 800.521.1918 ext. 2

**Fax:** 248.932.9051

In order to expedite this process, please be prepared to furnish as much of the following information as possible:

- Your policy number
- Date, time and location of the loss / accident
- Details of the loss / accident
- Name, address and phone number of any involved parties
- If applicable, name of law enforcement agency or fire department along with the incident number.

Please also refer to your policy for specific claim reporting requirements.

Thank you for your business and as always, we appreciate the opportunity to serve you.

## OCCURRENCE DEFINITION

It is agreed that the following special terms and conditions apply to the policy:

1. The Limit of Liability or Amount of Insurance shown on the face of this policy, is a Limit or Amount per occurrence. Notwithstanding anything to the contrary contained herein, in no event shall the Liability of this company exceed this Limit or Amount in one disaster, casualty, or event, irrespective of the number of Locations involved.
2. The premium for this policy is based upon the statement of values on file with the company, or schedule attached to this policy. In the event of loss hereunder, liability of the company shall be limited to the least of the following.
  - a. The actual adjustment amount of loss, less applicable deductible(s);
  - b. The total stated value for the property involved, as shown on the schedule, less applicable deductible(s); and/ or
  - c. The Limit of Liability of amount of Insurance shown on the face of this policy or endorsed on to the policy.

**BUILDING AND PERSONAL  
PROPERTY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. - **Definitions**.

**A. Coverage**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

**1. Covered Property**

Covered Property, as used in this Coverage Part, means the type of property described in this Section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;

- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

**b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

**c. Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under Additional Coverages - Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This Paragraph n., does not apply to your "stock" of prepackaged software.
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data.
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
  - (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers.

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

#### (5) Examples

The following examples assume that there is no coinsurance penalty.

#### Example # 1

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 50,000
Amount of Loss Payable	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense	\$ 10,000
Debris Removal Expense Payable	\$ 10,000
(\$10,000 is 20% of \$50,000)	

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

**Example # 2**

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$ 30,000
Debris Removal Expense Payable	
Basic Amount	\$ 10,500
Additional Amount	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

**b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean Up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.

- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
  - (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
    - (a) You were required to comply with before the loss, even when the building was undamaged; and
    - (b) You failed to comply with.
  - (5) Under this Additional Coverage, we will not pay for:
    - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
    - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
  - (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.  
The amount payable under this Additional Coverage is additional insurance.
  - (7) With respect to this Additional Coverage:
    - (a) We will not pay for the Increased Cost of Construction:
      - (i) Until the property is actually repaired or replaced, at the same or another premises; and
      - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
    - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
    - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
  - (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
  - (9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.
- f. Electronic Data**
- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered - Electronic Data.
  - (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
  - (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage - Electronic Data, subject to the following:

- (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage - Electronic Data is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
  - (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage - Electronic Data includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Electronic Data.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage - Electronic Data is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

#### (2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
  - (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:
  - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or



- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period Of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.
- (2) If the Causes Of Loss - Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**d. Property Off-Premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or

(b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**f. Non-Owned Detached Trailers**

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your business;
- (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
- (c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes of Loss Form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

**D. Deductible**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

**Example No. 1:**

(This example assumes there is no coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance - Bldg. 1:	\$ 60,000
Limit of Insurance - Bldg. 2:	\$ 80,000
Loss to Bldg. 1:	\$ 60,100
Loss to Bldg. 2:	\$ 90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$ 60,100
- 250
<u>\$ 59,850</u> Loss Payable - Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + 80,000 = \$139,850

**Example No. 2:**

(This example, too, assumes there is no coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1:	\$ 70,000
(exceeds Limit of Insurance plus Deductible)	
Loss to Bldg. 2:	\$ 90,000
(exceeds Limit of Insurance plus Deductible)	
Loss Payable - Bldg. 1:	\$60,000
(Limit of Insurance)	
Loss Payable - Bldg. 2:	\$80,000
(Limit of Insurance)	
Total amount of loss payable:	\$140,000

**E. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**3. Duties In The Event Of Loss Or Damage**

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.

e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

#### 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### 6. Vacancy

##### a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii) Used by the building owner to conduct customary operations.

- (2) Buildings under construction or renovation are not considered vacant.

**b. Vacancy Provisions**

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage;
  - (e) Theft; or
  - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**7. Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.  
  
The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:
  - (1) Awnings or floor coverings;
  - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
  - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

- d. Glass at the cost of replacement with safety glazing material if required by law.

- e. Tenant's Improvements and Betterments at:

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
  - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

**F. Additional Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Coinsurance**

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);

(3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and

(4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

#### Example No. 1 (Underinsurance):

When: The value of the property is \$ 250,000  
 The Coinsurance percentage for it is 80%  
 The Limit of Insurance for it is \$ 100,000  
 The Deductible is \$ 250  
 The amount of loss is \$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

#### Example No. 2 (Adequate Insurance):

When: The value of the property is \$ 250,000  
 The Coinsurance percentage for it is 80%  
 The Limit of Insurance for it is \$ 200,000  
 The Deductible is \$ 250  
 The amount of loss is \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

#### Example No. 3:

When: The value of property is:  
 Bldg. at Location No. 1 \$ 75,000  
 Bldg. at Location No. 2 \$ 100,000  
 Personal Property at Location No. 2 \$ 75,000  
 \$ 250,000

The Coinsurance percentage for it is 90%

The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is \$ 180,000

The Deductible is \$ 1,000

The amount of loss is:  
 Bldg. at Location No. 2 \$ 30,000  
 Personal Property at Location No. 2 \$ 20,000  
 \$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

#### 2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and  
(2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or  
(2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

**G. Optional Coverages**

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

**1. Agreed Value**

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

- c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- (1) On or after the effective date of this Optional Coverage; and  
(2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

**2. Inflation Guard**

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

**Example:**

If:	The applicable Limit of Insurance is	\$ 100,000
	The annual percentage increase is	8%
	The number of days since the beginning of the policy year (or last policy change) is	146
	The amount of increase is $\$100,000 \times .08 \times 146$	
	$\div 365 =$	\$ 3,200

**3. Replacement Cost**

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
- (1) Personal property of others;
- (2) Contents of a residence;



(3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

(4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

#### 4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.
- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

#### H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.



**COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. CONTROL OF PROPERTY**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**D. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**E. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**F. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**G. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits Of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

CP 04 50 07 88

**VACANCY PERMIT**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY

**SCHEDULE**

Prem. No.	Bldg. No.	Excepted Causes of Loss		Permit Period	
		Vandalism	Sprinkler Leakage	From	To
ALL	ALL			12/ 16/ 2020	12/ 16/ 2021

- A.** The VACANCY Loss Condition does not apply to direct physical loss or damage:
1. At the locations; and
  2. During the Permit Period;
- shown in the Schedule or in the Declarations.
- B.** This Vacancy Permit does not apply to the Excepted Causes of Loss indicated in the Declarations or by an "X" in the Schedule.

**CAUSES OF LOSS - SPECIAL FORM**

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. - Definitions.

**A. Covered Causes Of Loss**

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
  2. Limited in Section C., Limitations;
- that follow.

**B. Exclusions**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**a. Ordinance Or Law**

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

**b. Earth Movement**

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph **B.4.a.(1)** applies to these coverages.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.  
But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.
  - b. Delay, loss of use or loss of market.
  - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
  - d. (1) Wear and tear;
  - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
  - (3) Smog;
  - (4) Settling, cracking, shrinking or expansion;
  - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

j. Rain, snow, ice or sleet to personal property in the open.

k. Collapse, except as provided below in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:
- (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or
  - (4) Maintenance;
- of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

- (2) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (4) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

- (5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (6) Any other consequential loss.

##### b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a. Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
  - (a) Your cancelling the lease;
  - (b) The suspension, lapse or cancellation of any license; or
  - (c) Any other consequential loss.

##### c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph B.1.a., Ordinance Or Law;
  - (b) Paragraph B.1.c., Governmental Action;
  - (c) Paragraph B.1.d., Nuclear Hazard;
  - (d) Paragraph B.1.e., Utility Services; and
  - (e) Paragraph B.1.f., War And Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**C. Limitations**

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
  - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
  - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income coverage or Extra Expense coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
  - a. Animals, and then only if they are killed or their destruction is made necessary.
  - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
  - (2) To Business Income coverage or to Extra Expense coverage.
3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
- a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income coverage or to Extra Expense coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
- a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

#### D. Additional Coverage - Collapse

The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in D.1. through D.5. below.

##### 1. With respect to buildings:

- a. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
- b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
- c. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
- d. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

##### 2. We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if the collapse is caused by one or more of the following:

- a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
- b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;



- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 2.a. through 2.e., we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in 1.a. through 1.d. do not limit the coverage otherwise provided under this Causes of Loss Form for the causes of loss listed in 2.a., 2.d. and 2.e.

3. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in 2.b. through 2.f., we will pay for loss or damage to that property only if:

  - a. Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
  - b. The property is Covered Property under this Coverage Form.
4. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
  - a. The collapse was caused by a Cause of Loss listed in 2.a. through 2.f. above;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in 3. above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 4. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

5. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

#### **E. Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - a. A "specified cause of loss" other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage - Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form.
  - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## F. Additional Coverage Extensions

### 1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### 2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, F.3., does not increase the Limit of Insurance.

**G. Definitions**

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or

- (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss or damage to:

- (1) Personal property in the open; or

- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

COMMERCIAL PROPERTY  
CP10320808

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

- A. The exclusion in Paragraph B. replaces the Water Exclusion in this Coverage Part or Policy.
- B. Water
1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
  2. Mudslide or mudflow;
  3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
  4. Water under the ground surface pressing on, or flowing or seeping through:
    - a. Foundations, walls, floors or paved surfaces;
    - b. Basements, whether paved or not; or
    - c. Doors, windows or other openings; or

5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1., 3. or 4., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 5., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs 1. through 5., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

CP 10 33 06 95

**THEFT EXCLUSION**

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - SPECIAL FORM

The following is added to the EXCLUSIONS section:

We will not pay for loss or damage caused by or resulting from theft.

But we will pay for:

1. Loss or damage that occurs due to looting at the time and place of a riot or civil commotion; or
2. Building damage caused by the breaking in or exiting of burglars.

And if theft results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

CP 10 55 06 95

**VANDALISM EXCLUSION**

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - BASIC FORM  
 CAUSES OF LOSS - BROAD FORM  
 CAUSES OF LOSS - SPECIAL FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	Policy No.
12/ 16/ 2020 12:01 A.M. standard time	BOW555923
Named Insured CONDOR PORTAGE PARK I, LLC	

- A.** The following is added to the EXCLUSIONS section and is therefore **not** a Covered Cause of Loss:

**VANDALISM**

Vandalism, meaning willful and malicious damage to, or destruction of, the described property.

But if vandalism results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- B.** Under ADDITIONAL COVERAGE - COLLAPSE, in the Causes of Loss - Broad Form, vandalism is deleted from paragraph **1.a.(1)**.
- C.** In the Causes of Loss - Special Form, vandalism is deleted from the "specified causes of loss."
- D.** Under ADDITIONAL COVERAGE EXTENSIONS - PROPERTY IN TRANSIT, in the Causes of Loss - Special Form, vandalism is deleted from paragraph **b.(1)**.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

- a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

IL 09 35 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including micro-processors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;
- due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
- 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
    - b.** In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;
- we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.



## **MICROORGANISM EXCLUSION (ABSOLUTE)**

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

**14/09/2005**

**LMA5018**

**Form approved by Lloyd's Market Association**

## **ASBESTOS ENDORSEMENT**

A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.
3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
4. Insurance under this policy in respect of asbestos shall not include any sum relating to:
  - (i) any faults in the design, manufacture or installation of the asbestos;
  - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

B. Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.

14/ 09/ 2005

LMA5019

Form approved by Lloyd's Market Association

## **SERVICE OF SUIT CLAUSE (U.S.A.)**

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance (or reinsurance).

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon

Lloyd's America Inc.  
Attention: Legal Department  
280 Park Avenue  
East Tower, 25th Floor  
New York, NY 10017

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

LMA5020

14/ 09/ 2005

### **APPLICABLE LAW (U.S.A.)**

This Insurance shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit Clause (U.S.A.)

14/09/2005

LMA5021

Form approved by Lloyd's Market Association

U.S. Terrorism Risk Insurance Act of 2002 as amended  
Not Purchased Clause

*This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.*

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended (TRIA) and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5390

09 January 2020

## COMMUNICABLE DISEASE ENDORSEMENT

(For use on property policies)

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
  - 2.1 for a Communicable Disease, or
  - 2.2 any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - 3.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - 3.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas between organisms, and
  - 3.3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

## **COMMUNICABLE DISEASE ENDORSEMENT**

**(For use on property policies)**

1. Notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
  - 2.1. for a Communicable Disease, or
  - 2.2. any property insured hereunder that is affected by such Communicable Disease
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

**All other terms, conditions and exclusions of the policy remain the same.**

LMA 5393 (TRV Amended Version 1)

5<sup>th</sup> April 2020

**PROPERTY CYBER AND DATA EXCLUSION**

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
  - 1.1 Cyber Loss;
  - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 3 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

**Definitions**

- 4 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 5 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 6 Cyber Incident means:
  - 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
  - 6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7 Computer System means:
  - 7.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,owned or operated by the Insured or any other party.
- 8 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

LMA5401

11 November 2019



## **LLOYD'S PRIVACY POLICY STATEMENT**

### **UNDERWRITERS AT LLOYD'S, LONDON**

The Certain Underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

### **INFORMATION WE COLLECT**

The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address, and social security number
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history
- Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history

### **INFORMATION WE DISCLOSE**

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

### **CONFIDENTIALITY AND SECURITY**

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

### **RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION**

**You have a right to request access to or correction of your personal information that is in our possession.**

### **CONTACTING US**

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

**LSW1135b 06/03**

**WAR AND CIVIL WAR EXCLUSION CLAUSE**

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE**  
**PHYSICAL DAMAGE - DIRECT**

This policy does not cover any loss or damage arising directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused. \*NEVERTHELESS if Fire is an insured peril and a Fire directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provision of this policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that Fire.

\*NOTE - If Fire is not an insured peril under this policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

### **CANCELLATION CLAUSE**

Notwithstanding anything contained in this Insurance to the contrary this Insurance may be cancelled by the Assured at any time by written notice or by surrender of this contract of insurance. This Insurance may also be cancelled by or on behalf of the Underwriters by delivering to the Assured or by mailing to the Assured, by registered, certified or other first class mail, at the Assured's address as shown in this Insurance, written notice stating when, not less than 10 days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Assured the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon or the customary short rate proportion of any minimum premium stipulated herein which ever is the greater.

If this Insurance shall be cancelled by or on behalf of the Underwriters the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon or the pro rata proportion of any minimum premium stipulated herein which ever is the greater.

Payment or tender of any unearned premium by the Underwriters shall not be a condition precedent to the effectiveness of Cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

## **LAND, WATER AND AIR EXCLUSION**

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.



## **SEEPAGE AND/ OR POLLUTION AND/ OR CONTAMINATION EXCLUSION**

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- a) any loss, damage, cost or expense, or
- b) any increase in insured loss, damage, cost or expense, or
- c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority; or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/ or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/ or contamination or threat thereof.

The term 'any kind of seepage or any kind of pollution and/ or contamination' as used in this Endorsement includes (but is not limited to):

- a) seepage of, or pollution and/ or contamination by, anything, including but not limited to, any material designated as a 'hazardous substance' by the United States Environmental Protection Agency or as a 'hazardous material' by the United States Department of Transportation, or defined as a 'toxic substance' by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

**NMA2342**

**24/ 11/ 1998**

## **ELECTRONIC DATA ENDORSEMENT B**

### **1. Electronic Data Exclusion**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- (a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- (b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils:

Explosion

### **2. Electronic Data Processing Media Valuation**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.



## **TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/ or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/ or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

### **Biological or Chemical Materials Exclusion**

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

**NMA2962**

**06/02/03**

**Form approved by Lloyd's Market Association [Non-Marine]**